United Nations A/AC.109/2077

General Assembly

Distr.: General
30 May 1997

Original: English

Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Anguilla

Working paper prepared by the Secretariat

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I. General

1. Anguilla[1] lies 240 kilometres east of Puerto Rico, 113 kilometres north-west of Saint Kitts and Nevis and 8 kilometres north of St. Maarten/Saint-Martin. The Territory has a total land mass of 96 square kilometres and includes several offshore islets. The main island has a maximum length of 26 kilometres and a maximum width of 5 kilometres. There is no dominant urban area in Anguilla, although certain areas are more densely settled than others. The government headquarters and the main settlement area are located in the Valley.

2. According to the latest statistical estimate, the population of Anguilla in 1995 was 10,300.[2]

II. Constitutional and political developments

A. Constitution

3. An outline of the Anguilla (Constitution) Order, 1982, is given in the report of the United Nations Visiting Mission to Anguilla, 1984 (A/AC.109/799, paras. 19-27) and a previous working paper on the Territory prepared by the Secretariat (A/AC.109/1181, paras. 5 and 6). A detailed account of the main points and questions raised in the report of the Constitution Review Committee appointed by the Governor is contained in the 1989 working paper on Anguilla (see A/AC.109/975, paras. 15 and 16; see also A/AC.109/975/Add.1, annex).

B. Political parties and elections

4. Information on political parties and elections is contained in a previous working paper prepared by the Secretariat (A/AC.109/2016, para. 5). The next national election is due by March 1999.

C. Civil service

5. Information on the composition of the Anguillan public service is contained in a previous working paper prepared by the Secretariat (A/AC.109/1181, para. 13).

6. According to *National Accounts Statistics, 1995* of Anguilla, the central government expenditure constituted 21.9 per cent of Anguilla's gross domestic product (GDP), with personal emoluments, pensions and gratuities of civil servants being the largest component (approximately 13.4 per cent of GDP).[3]

III. Economic conditions

A. General

7. General information on Anguilla's development objectives is contained in a previous working paper prepared by the Secretariat (A/AC.109/2016, para. 8).

8. In 1995, after having recorded an annual average rate of growth of 7.6 per cent (in real terms) over the previous three years, the economy declined by 4.4 per cent (also in real terms). The decline in economic activity was attributable to the devastation caused to the island by Hurricane Louis which struck Anguilla in September 1995. The real GDP was EC$ 142.3 million in 1995,[4] down from EC$ 148.8 million in 1994.[5] Sectoral performance was varied, with some sectors improving and others registering significant declines. The sectors which suffered the worst decline in 1995 (hotels, restaurants, agriculture and transport) were those which were most affected by Hurricane Louis. Significant increases were in sectors involved in reconstruction and rehabilitation after the hurricane (wholesale and retail, mining and quarrying, construction).[5]

9. The contraction of economic activity led to a decline in employment. Lower economic activity, low inflation abroad and prudent fiscal and monetary management by the Government of Anguilla combined to mitigate price increases to 1.62 per cent in 1995. The average annual rate of inflation for the previous three years was 3.38 per cent.[5]

B. Public finance

10. Fiscal performance in 1995 was better than expected, given the damage caused by Hurricane Louis in September 1995. The central government budget operations recorded a recurrent surplus of EC$ 4.4 million in 1995 as compared with EC$ 3.7 million recorded in 1994.

11. Recurrent revenue increased by 12.2 per cent to EC$ 40.5 million in 1995, compared with EC$ 36.1 million in 1994. Major revenue areas — import duties, accommodation tax and embarkation tax — grew by 7.9, 6.9 and 3.0 per cent, respectively.

12. Recurrent expenditure in 1995 rose by 11.8 per cent to EC$ 36.1 million from EC$ 32.3 million in 1994.

Expenditure on personal emoluments amounted to EC$ 20.6 million, an increase of 4.0 per cent from EC$ 19.8 million in 1994.[6]

13. Disbursed outstanding external debt, standing at EC$ 8.5 million, declined by 2.3 per cent in 1995. The debt is owed to two multilateral institutions, the Caribbean Development Bank (72 per cent) and the European Investment Bank (28 per cent).[7]

14. Capital expenditure financed from the local budget amounted to EC$ 4.4 million in 1995. This in large part represented expenditures incurred for economic and social projects of vital importance for which funding was not available from external sources, as well as counterpart funding for various externally funded projects. An unforeseen but significant expenditure related to hurricane restoration, which amounted to EC$ 0.4 million or 15.8 per cent of the total locally financed capital expenditure.[8]

15. Externally funded capital expenditure was EC$ 2.6 million in 1995. The bulk of this, some EC$ 2.5 million or 96.2 per cent, was in the form of development aid provided by the administering Power. Major projects funded from this source included the completion of the Library Resource Centre, and the Primary School Rehabilitation. Total capital expenditure, both locally and externally funded was EC$ 7.0 million in 1995.[8]

C. Agriculture, livestock and fisheries

16. General information on the Territory's agriculture is contained in previous working papers prepared by the Secretariat (A/AC.109/2016, paras. 14 and 15; A/AC.109/2045, paras. 14 and 16).

17. Agricultural sector output declined from EC$ 6.5 million in 1995 to EC$ 5.8 million in 1995. Hurricane damage to the livestock and crop subsectors during the last quarter of 1995 contributed to reduced output in the industry, with the latter also affected by caterpillar infestation. Reduced demand during 1995 from St. Maarten, a major export destination, also had an impact on the fisheries subsector.[9]

D. Industrial development

18. Information on industrial development is contained in a previous working paper prepared by the Secretariat (A/AC.109/2016, paras. 19 and 20). The mining and quarrying sector, which supply crucial inputs to the construction sector, grew by 15.1 per cent in 1995.[9]

E. Transport, communications and other basic facilities

19. Information on transport, communications and other basic facilities is contained in a previous working paper prepared by the Secretariat (A/AC.109/2016, paras. 21 and 22). Activity in the transport sector declined by 8.9 per cent, falling from EC$ 9.3 million in 1994 to EC$ 8.5 million in 1995. Output in this sector is closely linked to activity in the hotels and restaurants sector and was consequently affected by the decline in that area.[10]

20. Electricity and water production declined in 1995 by 9.2 per cent in comparison with 1994. The electricity subsector was severely affected by Hurricane Louis, with damage to poles, lines, transformers and other equipment.[10]

21. In March 1997, the Minister of Communications and Works stated in a radio broadcast that the Government would explore all possible sources of funding to ensure that roads were maintained at a high standard.[11]

F. Construction

22. Output in the construction sector increased by 6.0 per cent, rising from EC$ 18.0 million in 1994 to EC$ 19.1 million in 1995. The growth was largely the result of the rehabilitation and reconstruction efforts after Hurricane Louis. There were 153 building permits issued by the end of 1995, representing an increase of 7.7 per cent over 1994.[5]

G. Banking and insurance

23. Information on banking and insurance is contained in a previous working paper prepared by the Secretariat (A/AC.109/2016, para. 25).

H. Environment

24. Information on the environment is contained in the previous working paper prepared by the Secretariat (A/AC.109/2045, paras. 23-24).

I. International business

25. Information on international business is contained in the previous working paper prepared by the Secretariat (A/AC.109/2045, paras. 25 and 26).

J. Tourism

26. After significant growth over the previous two years, Anguilla experienced a decline in tourist arrivals in 1995 of 11.8 per cent. The major decline came specifically in the period from September to November 1995 in the aftermath of Hurricane Louis, the worst natural disaster in over 35 years. The hurricane caused extensive damage to a number of tourist accommodation establishments and restaurants, and also caused extensive damage to the island as a whole.

27. Total tourist arrivals in 1995 numbered 38,531, as compared with 43,705 in 1994. The number of excursionists in 1995 fell by 16.4 per cent as compared with 1994. Visitor arrivals in 1995 totalled 107,086, a 14.8 per cent decrease from 125,780 in 1994.

28. Visitors from the United States of America continued to dominate Anguilla's tourist market during 1995, accounting for 62 per cent of tourist arrivals. The Caribbean again constituted the second-largest share, at 26 per cent, with the United Kingdom of Great Britain and Northern Ireland and Canada accounting for 6.2 and 2.9 per cent of the market share, respectively.[12]

29. In 1996, developments in the tourism industry were positive. The luxury resort Cap Juluca has completed a $10 million restoration project and reopened. The mile-long white powder sand beach at Maundays Bay which was swept out to sea has been returned to its original state. Canadian Trac Industries, Inc. has signed an agreement with the Government of Anguilla to develop the Hotel de Health Caribbean, a new medical hotel catering to patients from around the world. Trac plans to open new offices in Edmonton, Alberta, Canada, to promote tourism in Anguilla. In other hotel developments, Sonesta International Hotels has purchased the former Casablanca Resort and announcement has been made regarding a 90-room upscale property to be located on Rendezvous Bay with a targeted opening date in spring 1998.[13]

30. The completion of hotel rehabilitation work and the new hotel development indicated signs of early economic recovery in Anguilla's vital tourism industry. During 1996, the Government of Anguilla signed an agreement with Aruba under which that Territory would prepare plans for the construction of a new $40 million airport at Brimogen on the north coast, including financing through the Aruba Investment Bank.[13]

K. Country Policy Plan

31. A summary of the Country Policy Plan and related developments is contained in previous working papers prepared by the Secretariat (A/AC.109/1181, paras. 67-74; A/AC.109/2016, para. 38; and A/AC.109/2045, para. 30).

IV. Social conditions

32. A summary of the social conditions in the Territory is contained in a previous working paper prepared by the Secretariat (A/AC.109/2016, paras. 39-43).

V. Public education

33. A summary of public education in the Territory is contained in a previous working paper prepared by the Secretariat (A/AC.109/2016, paras. 44 and 45).

VI. Participation in international organizations/arrangements

34. An overview of the development assistance provided to the Territory by organizations of the United Nations system, mainly by the United Nations Development Programme (UNDP), is contained in a previous working paper on Anguilla prepared by the Secretariat (A/AC.109/2016/Add.1).

35. The Government of Anguilla cooperates directly with other Caribbean Governments and participates in regional conferences and projects organized by Governments and regional and international organizations and agencies. The Territory is a member of the Caribbean Development Bank, the University of the West Indies and the Eastern Caribbean Central Bank and holds observer status in the Organization of Eastern Caribbean States. The Territory is represented at the annual meetings of the Caribbean Group for Cooperation in Economic Development, sponsored by the World Bank.

VII. Future status of the Territory

36. The position of the administering Power towards its dependent Territories, including Anguilla, is summarized in previous working papers prepared by the Secretariat (A/AC.109/1137, para. 17; A/AC.109/1180, paras. 30-36). For statements during the fifty-first session of the General Assembly, see document A/AC.109/2071, paragraph 36.

37. On 27 March 1997, the General Assembly adopted resolution 51/224 B, a consolidated resolution on 12 Non-Self-Governing Territories, section II of which is specifically devoted to Anguilla.

Notes

[1] The information contained in the present paper has been derived from published reports and from information transmitted to the Secretary-General by the Government of the United Kingdom of Great Britain and Northern Ireland under Article 73 *e* of the Charter of the United Nations on 10 September 1996 and 13 March 1997. The facts and figures presented in the working paper are the latest information available.

[2] *1997 Caribbean Basin Commercial Profile*, p. 3.

[3] Government of Anguilla, *National Accounts Statistics, 1995*, p. 17, table 17.

[4] The currency of the Territory is the East Caribbean dollar (EC$). One United States dollar (US$ 1.00) is equivalent to EC$ 2.70.

[5] Government of Anguilla, *National Accounts Statistics, 1995*, p. II.

[6] Ibid., p. IV.

[7] *1997 Caribbean Basin Commercial Profile*, p. 1.

[8] Government of Anguilla, *National Accounts Statistics, 1995*, pp. III-IV. It should be noted that the compilation of the Public Finance accounts is based on the United Nations System of National Accounts (SNA).

[9] *1997 Caribbean Basin Commercial Profile*, p. 2; Government of Anguilla, *National Accounts Statistics, 1995*, p. III.

[10] Government of Anguilla, *National Accounts Statistics, 1995*, p. III.

[11] *Caribbean Week*, 1-14 March 1997.

[12] Government of Anguilla, *Statistical Review of Tourism 1995*, p. i.

[13] *1997 Caribbean Basin Commercial Profile*, p. 2-3.